

The Economics of Japanese Whaling

A COLLAPSING INDUSTRY BURDENS TAXPAYERS



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CONTENTS

Introduction 1

The Facts in Brief 2

1 Taxpayers Subsidise Money-Losing Industry 4

2 Demand for Whale Meat Falls While Stockpiles Grow 7

3 Earthquake Relief Funds and Additional Subsidies Diverted 10

4 Polls: Indifference to Whaling, Opposition to Funding 13

5 Foreign Aid Used to Buy Whaling Support 14

6 Scientific Whaling Is Not Scientific 16

7 The Solution: Whale Watching, Not Whaling 18

Notes 19

Introduction

In early 2012, the International Fund for Animal Welfare (IFAW) commissioned the Japanese firm E-Square to look at official government of Japan figures on that country's whaling industry, including whale meat sales and stockpiles, taxpayer subsidies paid to keep the whaling fleet afloat, and money spent on that country's vote in the International Whaling Commission (IWC). We also commissioned the Nippon Research Center to conduct polling on Japanese public attitudes towards whaling, taxpayer subsidies, and the consumption of whale meat.

For years, IFAW and other organisations have been campaigning against commercial whaling. Our opposition has many different aspects, including the fact that commercial whaling is cruel and that, without exception, it has depleted every single whale population that it has targeted throughout its history.

There have been other elements to our argument: the consistency with which the whaling industry obfuscates and lies—for example, historically often killing more whales than it has admitted to catching, or, more recently, wrapping its whaling in a transparent veneer of “science.” Over the past decade or so, however, it has become more and more apparent that the very foundation of the pro-whaling argument within Japan—that whaling is a cultural and nutritional necessity—is profoundly and increasingly untrue. In fact, all the evidence we have seen strongly suggests that the opposite is the case, that whaling is an unprofitable business that can survive only with substantial subsidies and one that caters to an increasingly shrinking and ageing market.

To establish the veracity of that view, IFAW worked within Japan, employing Japanese companies including E-Square and the Nippon Research Center to dig into official figures and to elicit the opinions of the Japanese public. This report is based heavily on a larger report that E-Square researched and wrote, as well as on the results of Nippon Research Center public opinion polling, conducted in October 2012.

To the best of our knowledge, this is the first time that official government of Japan statistics on whaling have been compiled and made available to a global audience. They present a very different picture to the one painted by officials in Tokyo.

They show that whaling is dying in the hearts, minds, stomachs, wallets, and marketplaces of Japan. It turns out that demand for whale meat was largely a post-war blip in that country. With growing wealth and modernisation, the good people of Japan have lost their yen for whale meat. Yet fisheries officials and other government figures continue to siphon off millions of taxpayer yen to prop up an industry that is effectively dead in the water.

There is one whale-based industry in Japan that is profitable and has tremendous scope for growth. That industry is whale watching. However, whale watching does not receive the massive government subsidies that are funnelled to whaling. If the government of Japan genuinely wants to generate income and benefit coastal communities, it should support whale watching, not whale hunting. Whales are not only better off alive than dead; they are more valuable that way. Animals, people, and coastal economies all do better when whales are seen and not hurt.



Patrick R. Ramage
IFAW WHALE PROGRAMME DIRECTOR



Naoko Funahashi
IFAW JAPAN REPRESENTATIVE

The Facts in Brief

Official government of Japan statistics, Japanese press clippings, and public opinion polling in Japan show conclusively that the claim that Japanese commercial whaling is a cultural and nutritional necessity is a lie. Commercial whaling in Japan is an industry that is not profitable, that is able to exist only because of taxpayer subsidies, and that provides a product catering increasingly to a shrinking and ageing market.

Taxpayers Subsidise Money-Losing Industry

- ▶ The whaling fleet is heavily subsidised by taxpayer money funnelled through the Institute of Cetacean Research (ICR).
- ▶ Subsidies average around ¥782 million (US\$9.78 million) annually.*
- ▶ Despite these subsidies, the ICR continues to operate at a loss. Whaling simply is not commercially viable.

Demand for Whale Meat Falls While Stockpiles Grow

- ▶ Whale meat consumption in Japan peaked in the 1960s and has steadily decreased thereafter so that today whale meat consumption is approximately 1 percent of its peak.
- ▶ Current stockpiles of unsold whale meat have increased to nearly 5,000 tonnes and are more than four times greater today than they were 15 years ago.
- ▶ Between 2011 and 2012, the whaling industry attempted to boost income and reduce stockpiles by holding a series of whale meat auctions. These auctions were total failures, and three-quarters of the meat went unsold.

Earthquake Relief Funds and Additional Subsidies Diverted

- ▶ Over the past 25 years, direct whaling subsidies from the Ministry of Agriculture alone have cost Japanese taxpayers more than ¥30 billion (almost US\$400 million).
- ▶ While other needs went unmet, earthquake reconstruction funds to the tune of ¥2.28 billion (US\$28.55 million) were diverted from tsunami relief to support “research whaling, stabilization promotion, and counter-measure expenses” for the ICR.
- ▶ Most recently, the industry has received a substantial loan, backed by guarantees from the government of Japan, to refit the factory ship of the whaling fleet, with a view to maintaining the fleet for at least another decade.

Polls: Indifference to Whaling, Opposition to Funding

- ▶ A majority of Japanese—54.7 percent—are indifferent to whaling.
- ▶ Only 27 percent of respondents in Japan say they support whaling, and only 11 percent do so strongly.
- ▶ 89 percent say they have not bought any whale meat in the last 12 months.
- ▶ 85 percent expressed opposition to the use of billions of taxpayer yen to build a new factory ship.

*Note: JPY to USD converted at \$1.00=¥80 for all data and figures throughout this publication.

Foreign Aid Used to Buy Whaling Support

- ▶ The Japanese government has engaged in a concerted effort to change the direction of the IWC by recruiting new members to vote on its side.
- ▶ This recruitment process involved using Grant Aid for Fisheries, a subset of Overseas Development Aid.
- ▶ International media reports revealed that payments were made to delegates in envelopes prior to IWC meetings covering air fares, rooms and entertainment, and membership dues.

Scientific Whaling Is Not Scientific

- ▶ The government of Japan developed scientific whaling as a means to continue commercial whaling following the IWC's 1982 vote to establish a commercial whaling moratorium.
- ▶ The more than 14,000 whales killed by Japanese whaling fleets since 1988 far exceed the total of all other countries' scientific whaling programmes combined throughout history.
- ▶ Despite Japan's claims that scientific whaling conducts valuable research, in 2006 the IWC's Scientific Committee found that the research had failed to achieve any of its stated objectives.

The Solution: Whale Watching, Not Whaling

- ▶ Even as whale meat declines in popularity and whaling declines in profitability, the whale watching industry has been growing in Japan.
- ▶ After a small start, the whale watching industry has grown strongly, at an annual average rate of 6.4 percent.
- ▶ In 2008, whale watching in Japan generated ¥1.76 billion (US\$22 million) in total revenue.

The commercial whaling industry is drawing breath now only because it is on life support in the form of taxpayer subsidies. It is time to end those subsidies and allow the industry to die a natural and long overdue death. Whale watching, not whaling, is the industry with a future.

1

Taxpayers Subsidise Money-Losing Industry

To the Institute of Cetacean Research (ICR), the importance of selling the meat from whales killed for “research” in the Antarctic and North Pacific is clear: Not only does it justify the whaling being conducted, it is the primary means by which that whaling is funded. Whaling, in other words, must be conducted to provide whale meat that must be sold to provide funding for the whaling industry.

- ▶ The whaling fleet is heavily subsidised by taxpayer money funnelled through the Institute of Cetacean Research (ICR).
- ▶ Subsidies average around ¥782 million (US\$9.78 million) annually.
- ▶ Despite these subsidies, the ICR continues to operate at a loss. Whaling simply is not commercially viable.

However, with the failure of meat sales to generate sufficient income, the Fisheries Agency of Japan (JFA) has been supplementing the ICR budget with taxpayer subsidies. For example, research in the Antarctic and North Pacific received approximately ¥795 million (US\$9.94 million) and ¥715 million (US\$8.94 million) in FY 2010 and FY 2011, respectively, as “research whaling facilitation operating expenses.”

Even with such subsidies, the costs of research whaling incurred by the ICR, including the maintenance and operation of the whaling fleet, have consistently exceeded the income from whale meat sales over the last five years.

Figure 1 shows the extent to which income from whale meat sales falls below the operating costs of the research whaling programme. As can be seen, from 2006 to 2011, the cost of each whaling season exceeded income by between ¥800 million and ¥1.6 billion (US\$10 and US\$20 million), and

in the 2010–2011 season costs exceeded income by approximately ¥2.3 billion (US\$28.7 million).

Even when adding in the subsidies paid to the ICR, that shortfall remains with 2011 losses only reducing the ¥2.3 billion (US\$28.7 million) to approximately ¥1.5 billion (US\$19 million).

Table 1 : Subsidy to Institute of Cetacean Research (FY 2010 and 2011)

Name of Subsidies	Expenditure of FY 2010 (millions US\$)	Expenditure of FY 2011 (millions US\$)	Summary
Operating cost for the whaling fleet on the high seas	9.933	8.940	Aid for lethal cetacean capture research in the Antarctic and North Atlantic Oceans
Expenditures for nonlethal whale stocks research and others expenses	5.053	4.547	Monitoring research, outsourcing expenses for nonlethal DNA analysis research
Operation cost for the whaling fleet in Japanese coastal zone	3.313	3.312	Aid for lethal coastal cetacean capture research
Maintenance promotion for stabilization of whaling fleet on the high seas (by third budget)	—	28.550	Stabilize the lethal cetacean capture research in the Antarctic Ocean and enhance safety measure against anti-whaling groups
Total	18.298	45.349	

Reference: Subsidiary enterprise of Fiscal Year 2011 (Fisheries Agency of Japan), summary of the third supplementary budget of Fiscal Year 2011, Description for expenditure budget of general account of Fiscal Year 2011 within the Ministry of Agriculture, Forestry and Fisheries.

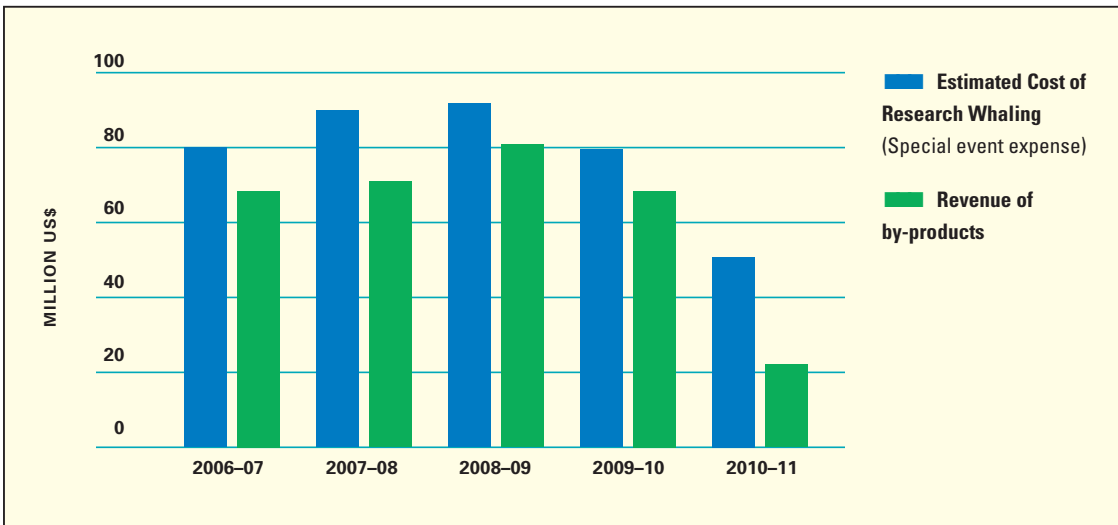


Figure 1 : Cost and Income from By-Products of Scientific Whaling by Institute of Cetacean Research

Reference: Financial statements in Annual Reports of ICR.

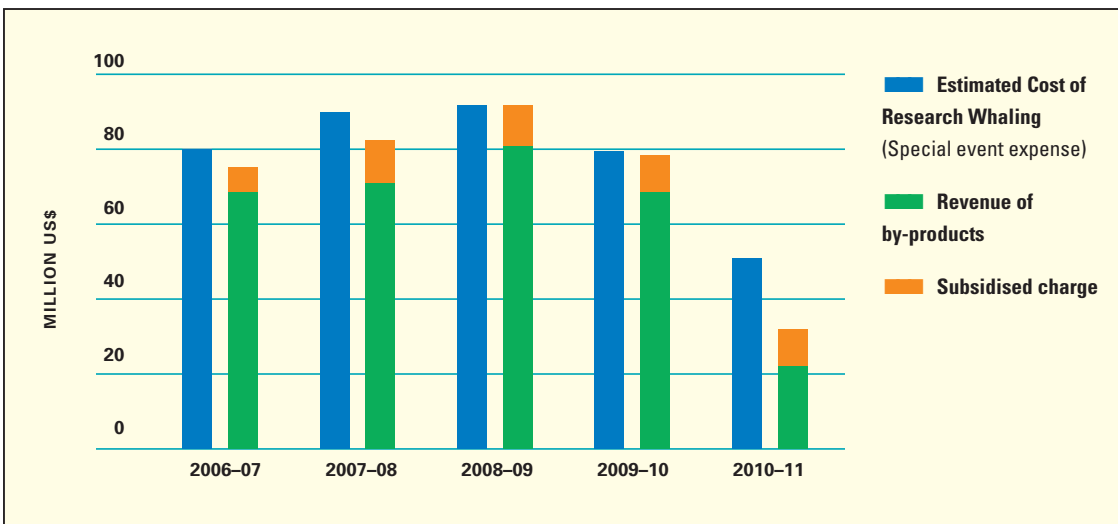


Figure 2 : Cost and Income Including Subsidies from By-Products of Scientific Whaling by Institute of Cetacean Research

Reference: Financial statements in Annual Reports of ICR (corresponding years).

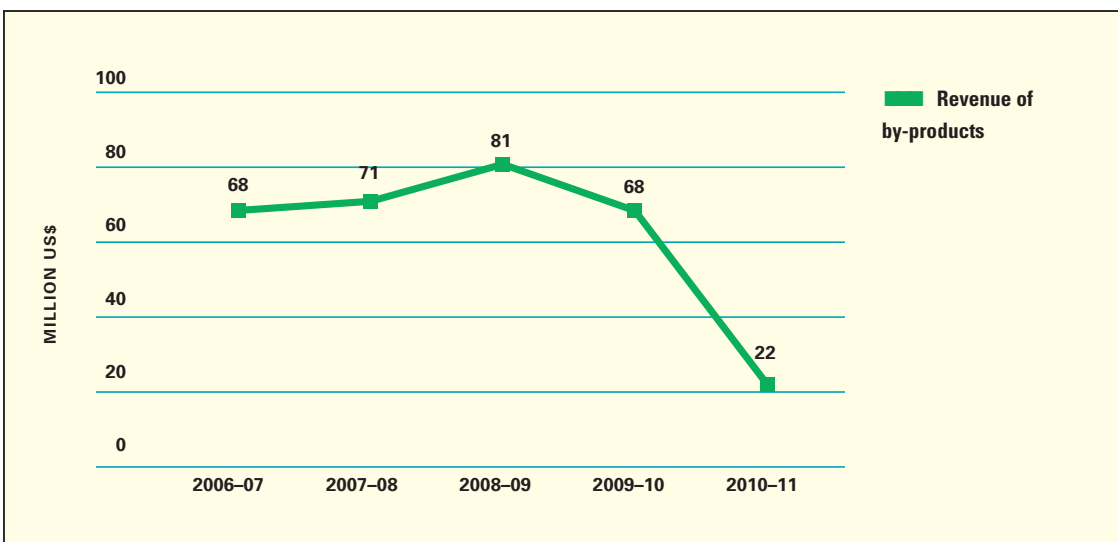
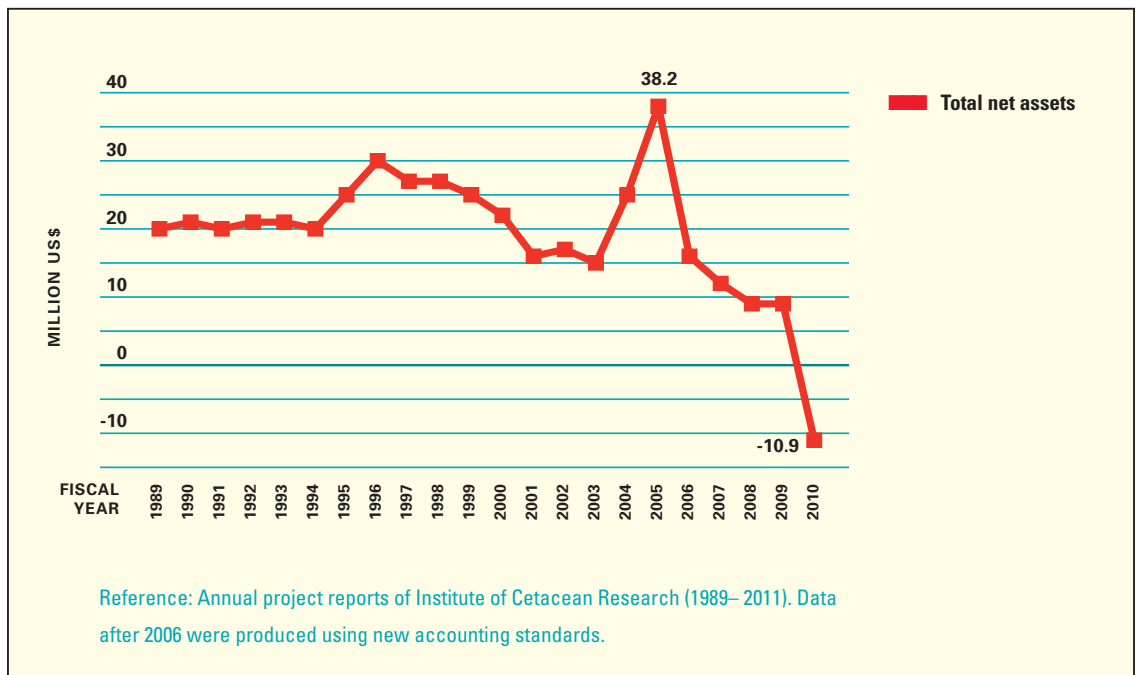


Figure 3 : Institute of Cetacean Research Income from Scientific Whaling

Reference: Annual project reports of ICR (2007-2011).

Figure 4 :
Trends in Net
Assets of Institute
of Cetacean
Research, 1989–
2010



Expenses and income were both considerably reduced in the 2010–11 Antarctic whaling season because the fleet abandoned its research early.

The ICR and others also argue that another key reason for the decline in income in 2011 was that that year's earthquake and tsunami caused considerable destruction to Ishinomaki, a major whaling town, and one of the two main ports for coastal North Pacific whaling. However, without diminishing the very real enormity of the upheaval caused by that disaster, such an analysis ignores the continued existence of whale meat stockpiles and the fact that those reserves would have to be exhausted before supply shortages could affect sales and revenues.

However, even granting the ICR the benefit of the doubt and allowing that 2011 might be an outlier, the curve is following a clearly downward progression.

Even with government subsidies, the ICR has been operating at a loss over the last five years. From 2005 to 2010, net assets (assets minus liabilities) declined sharply, from ¥3 billion (US\$38 million) to ¥63 million (approximately US\$790,000).

On 2 October 2012, the Japanese newspaper Asahi Shimbun reported that the financial outlook had darkened yet further and that, in fact, the ICR's liabilities in FY 2010 exceeded its assets by ¥870 million (approximately US\$10.9 million).

2

Demand for Whale Meat Falls While Stockpiles Grow

The government of Japan and other pro-whaling officials and industry apologists frequently assert that westerners do not understand the importance of whaling to Japanese history and culture and that the country's relative paucity of arable land means that it must turn more to the ocean—to fisheries and to whaling—for its nourishment.

However, Japan's whaling historically was confined to coastal waters and bays. Japan did not begin deep-water whaling until dispatching its fleet to the Antarctic in 1934. It was not until the late 1940s that Japan's Antarctic whaling and consumption of whale meat increased in response to war-inflicted grain shortages.

According to an analysis by Japanese researcher Junko Sakuma, whale meat consumption in Japan reached its peak in the 1960s, consistently declined thereafter, became quite marginal after the 1980s, and has since become something of a speciality food for a relatively restricted segment of the population.

As Sakuma explained,¹ prior to the war, Japanese meat consumption overall was low: approximately two kg per person per year. Of that two kg, whale meat constituted an average of about 300 g, or around 15 percent of total meat consumption. In the food crisis of the immediate post-war years, the share of whale meat soared to 46 percent in 1947 and 1948 but declined throughout the 1950s, briefly surged in the 1960s, and then continued its downward plunge. By the 1980s, whale meat's share of meat consumption was a mere 2 percent and has since declined to the point where the percentage is barely measurable.

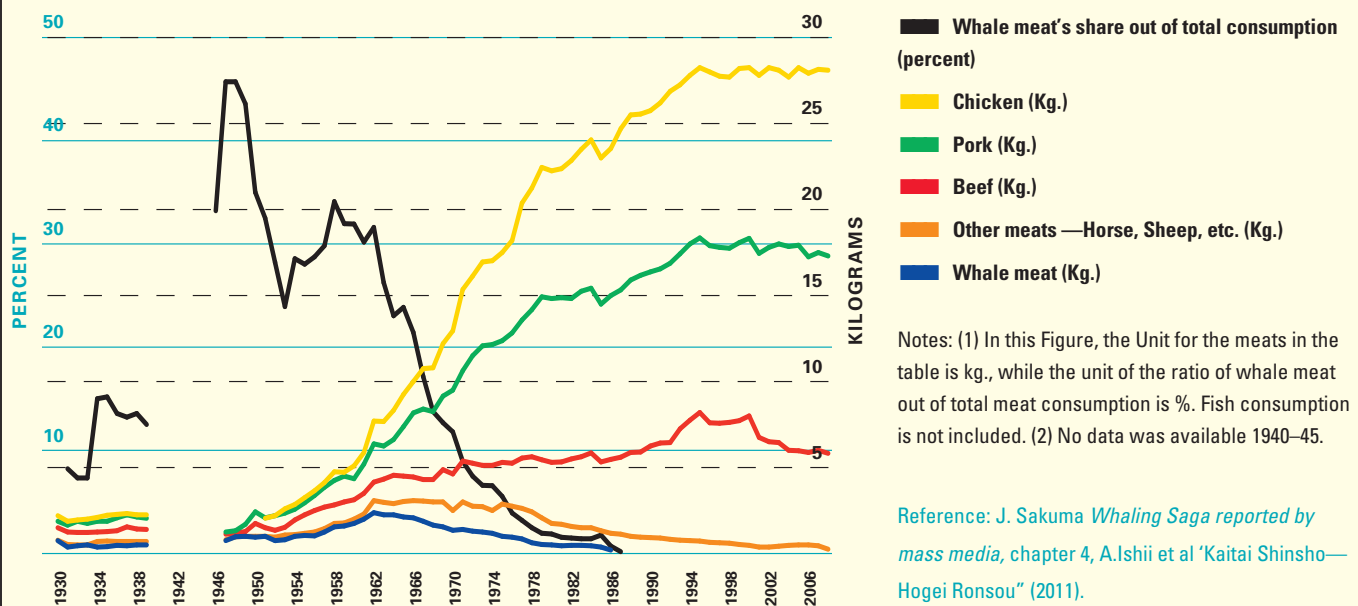
JFA statistics confirm that total whale meat consumption today is about 1 percent of its 1962 peak.²

Whale Meat Is Going Unsold, Despite Officials' Efforts

The number of whales being killed today by Japanese fleets is significantly less than at the industry's peak; but even so, supply is comfortably exceeding demand, and whale meat is going unsold.

In 1997, the year-end stockpile of unsold whale meat stood at 990 tonnes. Ever since, it has been increasing.

Figure 5 : Comparison of Whale Meat Consumption in Japan to National Consumption of Other Meats

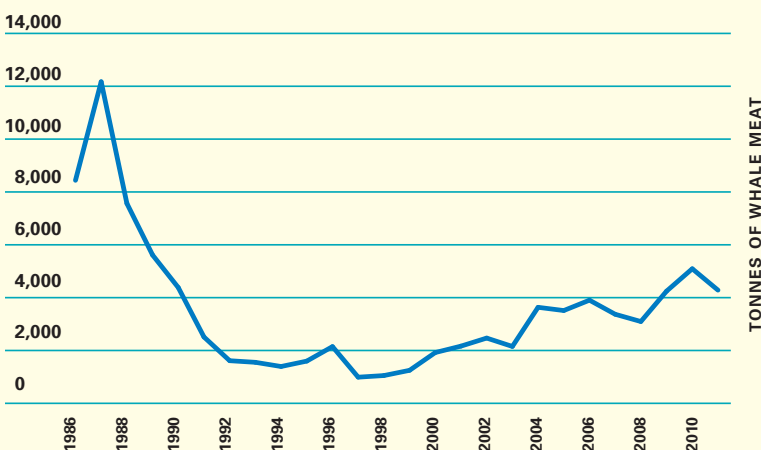


▶ Whale meat consumption in Japan peaked in the 1960s and has steadily decreased thereafter so that today whale meat consumption is approximately 1 percent of its peak.

▶ Current stockpiles of unsold whale meat have increased to nearly 5,000 tonnes and are more than four times greater today than they were 15 years ago.

▶ Between 2011 and 2012, the whaling industry attempted to boost income and reduce stockpiles by holding a series of whale meat auctions. These auctions were total failures, and three-quarters of the meat went unsold.

Figure 6 : Trend Data of Whale Meat Stock at Year-End Between 1986 and 2011 (stock value at year end)



Reference: Annual Statistics of Fisheries Distribution (Fisheries Agency of Japan).

In 2001, it passed 2,000 tonnes; in 2004, it exceeded 3,000. In 2009, it increased from 3,096 tonnes to 4,246 tonnes. In 2010, it exceeded 5,000 tonnes, before falling slightly to 4,284 tonnes in 2011.

It should be noted that the stockpile was significantly higher in 1987 because the catches were significantly higher. The total catch for 1986 and 1987 was 5,531 whales, taken under objection to the commercial whaling moratorium. In 1988, the catch was 273 minke whales. Inevitably, therefore, the first few years of reduced whaling led in turn to a reduction in the stockpile. Over the past 10 years, however, the stockpile has increased steadily despite whaling being conducted at a fraction of its size before the moratorium.

Pushing Whale Meat onto Markets

Such stockpile increases are a reflection of declining taste for whale meat consumption. Therefore, the ICR and Kyodo Senpaku Kaisha Co., Ltd., the company responsible for operations and sales, have been working to promote sale and consumption of whale meat. The ICR and Kyodo Senpaku participate in local government nutrition fairs and at the likes of the FOODEX JAPAN³ Expo, offering whale meat samples at food conventions.

Kyodo Senpaku has announced that it is planning to expand into supermarkets and other sales routes.⁴

This goal may prove harder to achieve than the company might want to admit: In October 2009, Greenpeace contacted 28 major corporations in the supermarket, sushi, department store, and izakaya* industries and found that, of 16 respondents, 12 said they did not sell whale meat, with several stating that they had no plans to do so.⁵

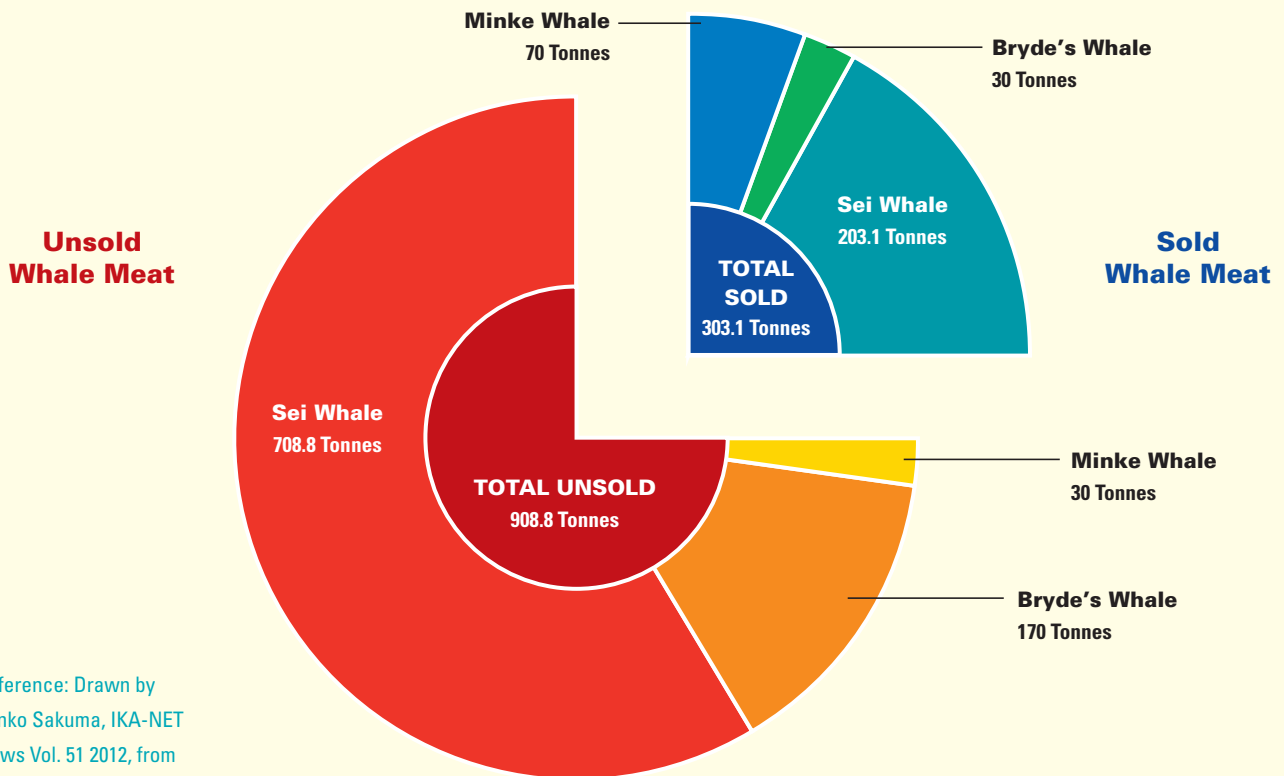
Pushing Whale Meat onto the Public

Polls have consistently shown that, among older generations who ate whale meat in greater quantities in the 1950s and early 1960s, there is a greater fondness for whale meat and support of commercial whaling. In an effort to fire up nonexistent enthusiasm among younger generations and find an outlet for growing stockpiles, officials have been promoting a revival of whale dishes in regional school lunches. For example, in Nagasaki, “Sweet and Salty Whale Stew” was introduced for children who are not used to eating whale.⁶

Last year, keen to boost sluggish sales of whale meat, the ICR began a series of commercial whale meat auctions. These auctions took place once a month for four months between November 2011 and March 2012. According to a media report, 1,211.9 tonnes of commercial sei, minke, and Bryde’s whale meat were made available.⁷ An official release at the end of the auction period stated that a total of 303.1 tonnes of whale meat was sold in this way.⁸ A total of 908.8 tonnes—three-quarters of the amount put up for auction—remained unsold.⁹

* Izakaya is the term for casual, after-work, drinking-and-dining establishments.

Figure 7 : Results of the 2011–12 Auction of Whale Meat by the Institute of Cetacean Research



Reference: Drawn by
Junko Sakuma, IKA-NET
News Vol. 51 2012, from
ICR sources April 30, 2012.

A report by Junko Sakuma of the Dolphin and Whale Action Network pointed out that only red special grade and grooved premier grade minke meat attracted bids higher than ICR's reserve price, and both types of meat sold out. Unfortunately for the ICR, the combined total weight of these two grades of whale meat was 300 kg, or just 0.025 percent of all the whale meat put up for auction. No bids for any other meats met the reserve price, forcing the ICR and Kyodo Senpaku to accept lower bids than they had anticipated. Bryde's whale tail meat, for example, was sold for ¥10,000, half its reserve price of ¥20,000. And yet, **even with this readiness to sell at a reduced price, three-quarters of the meat went unsold.**¹⁰

Faced with this result, ICR is reported to have said, "(The auctions) involved complex processes and didn't produce the outcomes we had anticipated."¹¹ In other words, they were a total failure.

3

Earthquake Relief Funds and Additional Subsidies Diverted

Following an aborted 2010–11 season, the ICR spent an additional ¥2.28 billion (approximately US\$28.55 million) for “research whaling, stabilization promotion, and counter-measure expenses.” These funds were ostensibly used to protect the fleet in the event of further attention from *Sea Shepherd* or other environmental activists in the Antarctic. **Such a massive increase in expenditure might have plunged the ICR deeper into financial trouble; however, the money did not come directly from the organisation’s own budget. Instead, it was diverted in that direction by the government out of the budget for earthquake reconstruction.**

The government defended the move on the grounds that solidifying the Antarctic fleet and taking measures to increase its catch would provide an important boost to Ishinomaki and the surrounding area,

which had been devastated by the earthquake and tsunami.¹² However, a number of Japanese NGOs argued that the budget should have been allocated to rehabilitate coastal areas and support the people who suffered from the earthquake, rather than being used to protect and promote the stabilisation of research whaling.

Those NGOs were not alone in their criticisms. Since August 2012, the mass media has also been questioning the use of money made available in the earthquake reconstruction budget, pointing out cases in which government bureaucrats took advantage of the opportunity to spend tax money on irrelevant or questionable policy programmes, such as renovation of tax offices outside the damaged region or fringe benefits for public officials.¹³ Even some staunch defenders of Japan’s whaling policy have acknowledged that using earthquake restoration funds to support

the Antarctic whaling fleet is, at best, inappropriate. For example, **former IWC deputy commissioner Masayuki Komatsu admitted that using such money “for the scientific whaling is quite irrelevant to the reconstruction of the disaster area.”**¹⁴

The more that research whaling loses money, the greater the taxpayer-funded subsidies that are spent to prop it up. As can be seen in Table 2 and Figure 8, the funds spent on research whaling averaged around ¥540 million (US\$6.7 million) for much of the first two decades of the programme’s existence, before increasing rapidly to some ¥908 million (US\$11 million) after 2007, which coincided with a sharp increase in the self-assigned Antarctic quota—and, of course, soaring past ¥3.2 billion (US\$40 million) in 2011. (It is perhaps worth noting that, without the availability of earthquake restoration funds in 2012, research whaling expenditures fell closer to their post-2007 average, notwithstanding the presumed continued presence of *Sea Shepherd* in the Antarctic whaling grounds.)

At a minimum, from 1987 to 2012 the government of Japan spent ¥30.3 billion (US\$378.7 million) subsidising whaling. (Additional expenditures of so-called vote consolidation in the IWC spent by the Japanese government are not included in this total.)

And still, those involved in the whaling industry seek more assistance. For example, in March 2012, whaling-related groups, including the All Japan Seamen’s Union, the Japan Whaling Association, Kyodo Senpaku, and the National Liaison Council of Local Governments Protecting Whaling, lodged petitions with Diet member groups promoting whaling in the Democratic Party of Japan and the Liberal Democratic Party. In the petitions, these groups requested additional support from and involvement of the government due to concerns

▶ Over the past 25 years, direct whaling subsidies from the Ministry of Agriculture alone have cost Japanese taxpayers more than ¥30 billion (almost US\$400 million).

▶ While other needs went unmet, earthquake reconstruction funds to the tune of ¥2.28 billion (US\$28.55 million) were diverted from tsunami relief to support “research whaling, stabilization promotion, and counter-measure expenses” for the ICR.

▶ Most recently, the industry has received a substantial loan, backed by guarantees from the government of Japan, to refit the factory ship of the whaling fleet, with a view to maintaining the fleet for at least another decade.

Insanity is doing the same thing, over and over again, but expecting different results.

—Albert Einstein

Table 2 : National Expenditures on Whaling Subsidies (million US\$)

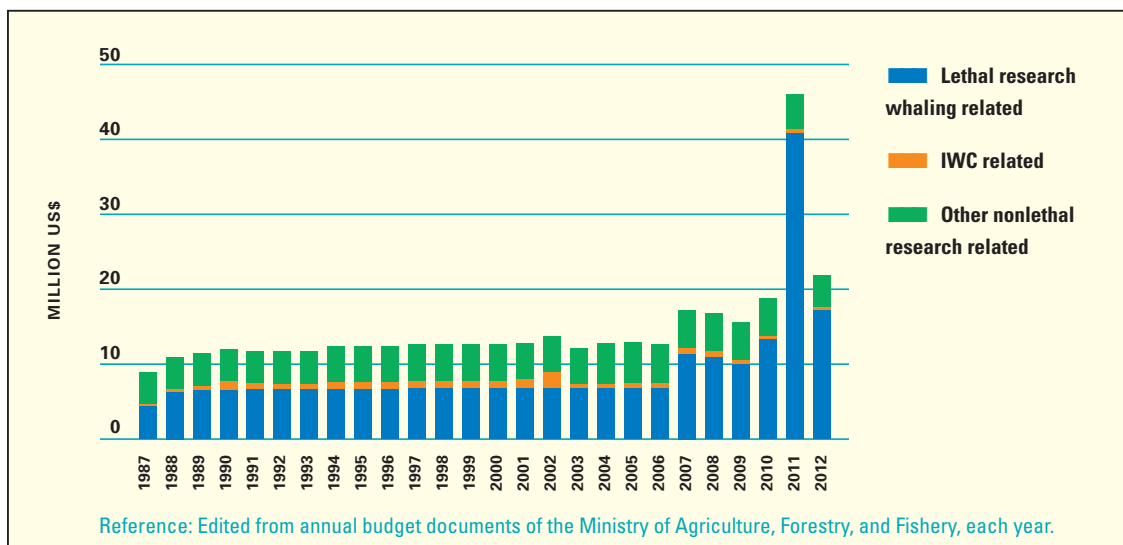
Year	Lethal Research Whaling Related	IWC Related	Other Nonlethal Research Related	Total Amount	Remarks
1987	\$ 4.329	\$ 0.400	\$ 4.157	\$ 8.886	JARPA was started. Japan discontinued commercial whaling
1988	6.279	0.409	4.157	10.845	
1989	6.467	0.644	4.282	11.393	
1990	6.471	1.216	4.282	11.968	
1991	6.633	0.777	4.282	11.691	
1992	6.633	0.761	4.282	11.676	
1993	6.633	0.761	4.282	11.676	
1994	6.633	0.967	4.732	12.331	JARPN was started.
1995	6.633	0.990	4.732	12.354	
1996	6.633	0.990	4.732	12.355	
1997	6.762	1.032	4.824	12.618	
1998	6.762	0.999	4.824	12.585	
1999	6.762	1.032	4.824	12.617	
2000	6.762	1.002	4.824	12.587	JARPN was concluded. JARPN II was started.
2001	6.762	1.195	4.824	12.781	
2002	6.762	2.125	4.824	13.711	Coastal research was started in JARPN II.
2003	6.762	0.556	4.824	12.141	
2004	6.762	0.615	5.415	12.792	
2005	6.762	0.687	5.415	12.864	JARPA I was concluded. JARPA II was started.
2006	6.762	0.692	5.246	12.700	
2007	11.349	0.790	5.053	17.192	
2008	10.943	0.795	5.053	16.790	The price of whale meat was lowered due to the reduced consumer spending resulting from financial crisis.
2009	9.933	0.566	5.053	15.552	
2010	13.246	0.471	5.053	18.770	
2011	40.802	0.602	4.547	45.951	The Great East Japan Earthquake hit the area on March 11. JARPA II was discontinued by Japanese government due to the sabotage of Sea Shepherd.
2012	17.118	0.452	4.322	21.892	
Total	\$ 234.352	\$ 21.527	\$ 122.838	\$ 378.717	

Note: The expenditure of the so-called vote consolidation in IWC spent by the Japanese government is not included in the analysis here.

Reference: Edited from annual budget documents of the Ministry of Agriculture, Forestry, and Fishery.

Figure 8 :
National
Expenditures on
Whaling Subsidies
 (Budget Basis:
 Initial/
 Supplementary)

Note: The expenditure of the so-called vote consolidation in IWC spent by the Japanese government is not included in the analysis here.



about economic losses from the decline in the sale of whale products, which they asserted were attributable not to any lack of desire to eat whale meat on the part of the public, but to pressure from conservation and animal protection groups.

The same groups filed similar policy requests with pro-whaling Diet members shortly before the 2012 IWC meeting in June. In response to these requests, the JFA published a policy memorandum that outlined JFA's intention, in collaboration with ICR and Kyodo Senpaku, to provide energy and cost-saving upgrades to the fleet and other aspects of the operation.¹⁵

This resulted in a surprise announcement on 26 September 2012 that the 2012–13 Antarctic whaling season might be severely curtailed or even abandoned so that the factory ship *Nisshin Maru*, which has been in use as a factory vessel since 1991, might be refitted and upgraded. That announcement prompted strongly negative political response from factions within the Liberal Democratic Party, which argued that any suspension would be viewed as a sign of weakness in response to external criticism of whaling. Following that criticism, a revised plan was revealed in which **Kyodo Senpaku was given permission to apply for a loan of ¥1.5–2 billion (US\$19–25 million) to refit the *Nisshin Maru* and enable it to continue operations for a further 10 years. To facilitate Kyodo Senpaku's repayment of that loan, the government of Japan would, at taxpayers' expense, pay 50 to 90 percent of the company's operating deficit for the next three years.**¹⁶

It might reasonably be asked why the whaling industry continues to receive so much apparently unconditional support. It is unlikely to be for the jobs it generates: According to governmental statistics, the number of crew for scientific whaling in the Antarctic and the Northern Pacific Ocean in 2008 was 199 and 192 people respectively.¹⁷ Looking at figures for all the workers needed for whaling combined, including scientific whaling, an analyst speculates the number of the workers engaged in the whaling business would be at best 1,000 people in all of Japan.¹⁸

At least some of those involved in the industry appear fully aware of its terminal decline. On January 2012, Deputy Chairman of the Japan Whaling Association and President of Kyodo Senpaku Kazuo Yamamura said, "Kyodo Senpaku has done as much as possible through management efforts and by making big cuts to personnel expenses, etc., but the difficult situation has exceeded the scope of our efforts." He continued, "It is extremely difficult to cover research expenses through the sales of by-products while maintaining the current system." As the E-Square report that informs much of this publication concludes, Yamamura's declaration demonstrates that maintaining the scientific whaling fleet and attempting to pay for that fleet by selling whale meat is on the point of complete failure.¹⁹

4

Polls: Indifference to Whaling, Opposition to Funding

In October 2012, IFAW commissioned the Nippon Research Center to conduct public opinion polling throughout Japan on public attitudes towards whaling. The poll surveyed 1,200 people, between the ages 15 to 79 and across all geographic areas in Japan. The results served to underline that, far from being hugely supportive of whaling, the Japanese populace is largely indifferent towards it.

- ▶ A majority of Japanese—54.7 percent—are indifferent to whaling.
- ▶ Only 27 percent of respondents in Japan say they support whaling, and only 11 percent do so strongly.
- ▶ 89 percent say they have not bought any whale meat in the last 12 months.
- ▶ 85 percent expressed opposition to the use of billions of taxpayer yen to build a new factory ship.

Asked whether they supported or opposed whaling, a mere 11.1 percent stated that they categorically did, with a further 15.7 percent saying they leaned towards supporting it. A plurality, 54.7 percent, had no strong opinion either for or against whaling, with a total of 18.6 percent of respondents either opposing it, or tending to oppose it.

Strong support was lowest—a mere 2.6 percent—amongst respondents aged 15 to 19, and at 18.8 percent was highest amongst those between 60 and 69.

Asked whether they had bought any whale meat at all over the previous 12 months, 88.8 percent of all respondents said that they had not. In no geographical area was that percentage lower than 84.4 percent, and even among the 70–79 age group, 81.2 percent had not purchased whale meat in the past 12 months. Of the total number surveyed, 5.4 percent had done so once, 3.1 percent twice, and only 2.3 percent more than twice.

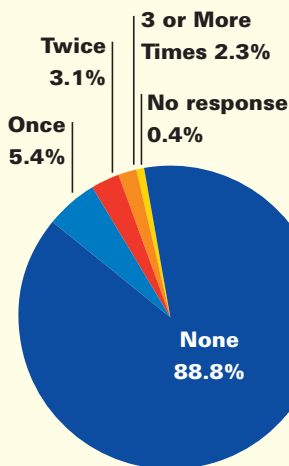
Even among those who are broadly supportive of whaling, there is strong opposition to the use of taxpayer funds to subsidise it. Only 1.8 percent of respondents fully support using tax money for scientific whaling, with a further 9.6 percent tending to support it. A full 86.6 percent expressed varying degrees of opposition.

Similarly, 85.1 percent of respondents either opposed or tended to oppose the use of billions of taxpayer yen to build a new factory ship.

Asked whether they would prefer the government to support the whaling industry or the whale and dolphin watching industry, three times as many—24.8 percent versus 8.3 percent—chose the latter.

Figure 9 : Purchases of Whale Meat in Last 12 Months

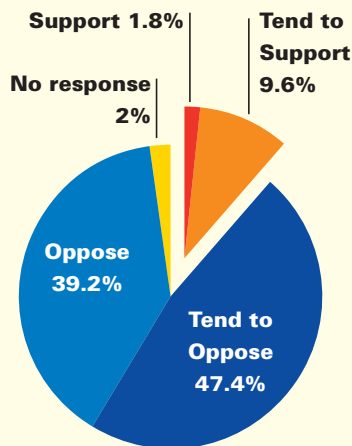
Male and female respondents, ages 15–79, from all regions



Reference: Nippon research Center, 2012.

Figure 10 : Use of Public Money to Fund Whaling

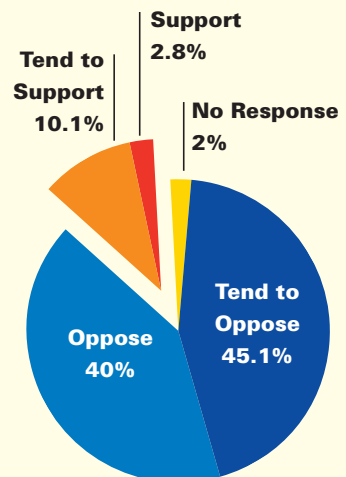
Male and female respondents, ages 15–79, from all regions



Reference: Nippon research Center, 2012.

Figure 11 : Taxpayer Funding of New Factory Whaling Ships

Male and female respondents, ages 15–79, from all regions



Reference: Nippon research Center, 2012.

5

Foreign Aid Used to Buy Whaling Support

When the IWC voted to declare the Southern Ocean a whale sanctuary at its 1994 meeting in Mexico, Japan was the only country to vote against it. Twelve years later, a proposal to remove the Southern Ocean Sanctuary attracted 28 votes. That same year, the St. Kitts and Nevis Declaration—which asserted that the commercial whaling moratorium “is no longer necessary,” that “scientific research has shown that whales consume huge quantities of fish,” and that “the position of some members that are opposed to the resumption of commercial whaling . . . is contrary to the object and purpose of the International Convention for the Regulation of Whaling”—received 33 votes and was adopted.

What happened in the interim to enable the pro-whaling side to claim so many supporters?

Japan Uses Fisheries Aid to Buy IWC votes

According to a report from the Italian-based NGO, the Third Millennium Foundation, four days after the close of the 1992 IWC meeting, the director of the JFA “revealed an initiative to urge the participation of developing countries in order to reform the management of the IWC.” The following year, another JFA official stated that Tokyo was undertaking an “offensive demarche . . . in order to change the composition of the IWC.” In 1998, Liberal Democratic Party member Hiroaki Kameda visited several Caribbean nations, some of which had been identified as targets for IWC membership and some of which were already voting with Japan. Upon his return, he held a press conference at which he revealed **“a plan for Japan to use its official development assistance (ODA) program as a measure to promote fisheries, for example, increasing of the number of countries that favor whaling.”**²⁰

In the lead-up to the 2012 IWC meeting, Japan’s approach to representatives and embassies of 38 countries led to the downfall of the proposed South Atlantic Whale Sanctuary. Of the 38 countries approached, 27 were in attendance, and 24 had paid dues providing them with voting rights. Of these 24 voting countries,

20 voted against, two for, and two abstained, meaning that 83 percent of those who were able to vote voted against the sanctuary. Although the proposal received a simple majority, this effort ultimately blocked the proposal from receiving the three-quarters majority needed to pass.

As that example shows, the number of countries that joined the IWC and voted with Japan has increased dramatically over the years, with most such pro-Japan nations coming from the Caribbean and West Africa. Many of these nations joined the IWC, despite the fact that the expense of membership prevented them from participating in other international fora of more direct interest.

For virtually all of these countries, membership of the IWC was preceded by visits from Japanese government delegations, which generally included JFA officials and pro-whaling Diet members; however, the trigger for membership was more than pure persuasion. **There is a strong correlation between the composition and voting patterns of pro-Japan membership in the IWC and the disbursement of aid from Tokyo under the Grant Aid for Fisheries programme of Overseas Development Aid (ODA).**

At times, Japanese officials have attempted to refute the notion that foreign aid is offered as a quid pro quo for support within the IWC: “Japan is the world’s largest aid donor, providing aid to over 150 countries, and this aid is not linked to the policies of recipient nations on specific issues.”²¹ But such statements are misleading; the vote-consolidation programme involved a very specific element of ODA: the Grant Aid for Fisheries

- ▶ The Japanese government has engaged in a concerted effort to change the direction of the IWC by recruiting new members to vote on its side.
- ▶ This recruitment process involved using Grant Aid for Fisheries, a subset of Overseas Development Aid.
- ▶ International media reports revealed payments were made to delegates in envelopes prior to IWC meetings covering air fares, rooms and entertainment, and membership dues.

programme. And for all that Japanese officials may deny the connection between the two, their denials are undercut by statements from the recipient countries.

As Antigua and Barbuda's then Prime Minister Lester Bird said in 2001, "Quite frankly, I make no bones about it . . . **if we are able to support the Japanese, and the quid pro quo is that they are going to give us some assistance, I am not going to be a hypocrite; that is part of why we do so.**" Atherton Martin, former fisheries and environment minister for Dominica, who resigned in protest at his country's voting with Japan, explained that, **"They announced that if they couldn't get Dominica to come along with them, they would have to place Dominican projects under review. If that is not an extortion by the Japanese government, I don't know what it is. They are saying, 'You either go with us or we pull the aid.'"**

Personal Bribes and Cash Payments

Japanese involvement frequently extended beyond fisheries development aid: In at least some cases, there is strong evidence that Japan paid iwc membership, accommodation, and travel costs for countries that supported them. Indeed, in a 2005 Australian TV documentary, Albert Wata, for 10 years the iwc commissioner for the Solomon Islands, stated categorically that "the Japanese pay the government's subscriptions. They support the delegations to the meetings, in terms of meeting airfares and per diem."

Additionally, London's *The Sunday Times* newspaper reported in 2010 that, to increase the number of pro-whaling countries at the iwc general meeting, Japan paid the travel and lodging expenses of small African and Caribbean countries and purchased their votes. The representatives of six countries were contacted, and the paper caught on hidden video high government officials of various countries making comments, such as "we switched to supporting whaling since we want official development assistance from Japan" and "we received money from Japan to cover our delegation's transportation and hotel expenses." The payments were made in cash handed over in brown envelopes at the beginning of the meeting. Some of those interviewed even described call girls being made available to them during official visits to Japan. Japan's largesse also extended to paying for the hotel room and flight of the supposedly neutral iwc Chair, Anthony Liverpool of Antigua and Barbuda. In terms of the whales themselves, *The Sunday Times* editorialised that, "The fate of these remarkable creatures should not be decided by brown envelopes and prostitutes."²²

Various whale meat products for sale at a wholesale shop, including whale bacon and blubber, Tsukiji, Tokyo, Japan.



6

Scientific Whaling Is Not Scientific

In 1982, the IWC voted to establish a moratorium on commercial whaling that was to take effect with the 1985–86 Antarctic whaling season and the 1986 coastal season. For three years, Japan continued Antarctic whaling under an official objection to the moratorium decision, which under IWC rules meant that it was not mandated to abide by that decision. However, under pressure from the United States, Japan removed that objection in 1988.

Japan's whaling was not at an end, however. Instead, it restructured its whaling operations so that the logistical side—the operation of the fleet and the sale of the meat—was overseen by Kyodo Senpaku. The ICR

would make plans, oversee whaling operations, and be the public face of the country's whaling and its liaison with the IWC. Both entities would operate under the direction of the JFA.

This restructuring reflects the fact that, since 1988, Japan has not referred to its whaling operations as commercial whaling, but as scientific research.

In doing so, Japan is taking advantage of Article VIII in the IWC convention, which allows member states to assign themselves catch limits to take whales for scientific research purposes. Other nations, including those presently critical of Japan, have used and abused this clause in the past. In 1956, the United Kingdom sought to use Article VIII to kill 12 baleen whales to test a new type of harpoon, until

Norway objected and the plan was dropped. That same year, the Soviet Union used “research whaling” permits to hunt whales outside the permitted season. And, over a period of almost a decade in the 1960s, the United States killed more than 300 gray whales for scientific research.

However, no nation has taken advantage of the Article VIII clause to the extent that Japan has. **Between 1952 and 1986, the total number of whales killed by all countries (including Japan) under Article VIII was approximately 2,100. Since 1987, Japan alone has killed in excess of 14,000 whales.**

This was never the purpose of Article VIII. According to an article in the journal *Science*, the intention was that the “number of whales a country could take for science was less than 10 . . . for instance, the possibility of finding a new animal and thus needing to take some in order to describe them scientifically.”

Japan's Scientific Whaling Is Not Producing Good Science

The fact that Japan has killed so many more whales in the name of “science” has not increased the effectiveness of the research that it claims to be undertaking. A 2006 review of Japan's Antarctic scientific whaling programme, conducted by the IWC's Scientific Committee, found that the research had failed to achieve any of its stated objectives. The review found, for example, that the programme had “not developed any agreed estimates of abundance and trend” of minke whales, and could not, in fact, confidently conclude whether the population was increasing, decreasing or stable. Likewise, efforts to elucidate the role of minke whales in the Antarctic ecosystem had “led to relatively little progress.”

Such failures were predictable, and were indeed predicted by independent researchers. The construction of the scientific whaling programme was such that it could not answer any of the questions it claimed that it would. But then, that was never its true purpose. “Research” was a fig leaf, a means to evade the commercial whaling moratorium that entered into effect with the 1985–86 Antarctic whaling season.

▶ The government of Japan developed scientific whaling as a means to continue commercial whaling following the IWC's 1982 vote to establish a commercial whaling moratorium.

▶ The more than 14,000 whales killed by Japanese whaling fleets since 1988 far exceed the total of all other countries' scientific whaling programmes combined throughout history.

▶ Despite Japan's claims that scientific whaling conducts valuable research, in 2006 the IWC's Scientific Committee found that the research had failed to achieve any of its stated objectives.

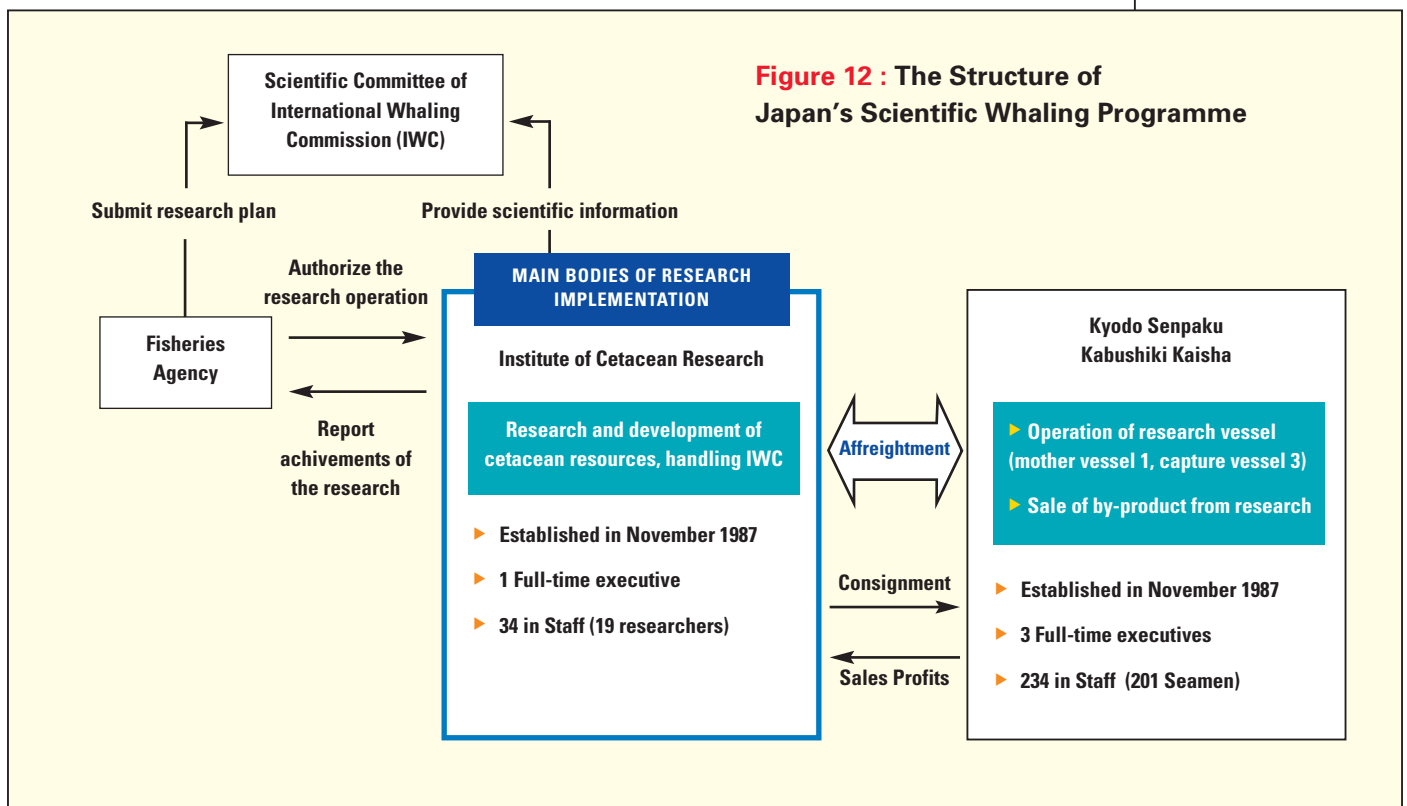
Japan's Scientific Whaling Is Commercial Whaling in Disguise

In 1987, the government announced its intention to begin a programme of scientific whaling in the Antarctic, announcing firstly a plan to kill 825 minke whales and 50 sperm whales a year and then, following criticism, reducing that to up to 330 minke whales and no sperm whales. The use of the scientific whaling provision had been anticipated for years: In 1984, the Asahi News Service noted that **“The government and industry have considered various strategies to continue whaling . . . such as continu[ing] to catch whales under the guise of ‘investigative whaling,’ although the catch would still be sold and eaten.”** In 1985, Moriyoshi Sato, then the minister for agriculture, forestry and fisheries, promised that the government would “maintain the nation’s whaling in the form of research and other forms.”²³

That same year, a group of Japanese scientists, many of whom represented Japan at the IWC’s Scientific Committee, was asked to devise a plan of “research whaling,” with the conditions that the project (1) should be self-sustainable and (2) should last a long period, perhaps until the reopening of commercial whaling. Scientists created a plan to estimate age-specific, natural mortality rate of Antarctic minke whales; they volunteered that an annual take of 1,500 minke whales would be ideal but that, depending on the sampling strategy that was undertaken, a quota of a little over half that amount would also be satisfactory. (Subsequently, the government of Japan announced an initial quota of 825 minkes, before reducing it for political reasons.)²⁴

Even prior to the moratorium, in 1976, when Japanese whaling quotas were under threat of reduction by the IWC Scientific Committee, it was clear that scientific whaling was considered as a method to maintain the current level of whaling. Akira Matsuura, then director of marine fisheries and later secretary of the JFA, wrote in a letter to Kayo Harunori, then deputy director of economic affairs at the Ministry of Foreign Affairs, that, **“I want you to keep this strictly confidential . . . I think of scientific whaling that is based on Article VIII for the Regulation of Whaling as one of the remedies . . .”**

It is clear that Japan’s “research” whaling is nothing more than a cover, a means of maintaining the country’s commercial whaling industry. But that industry is one that is dying for reasons beyond the restrictions imposed by an international convention. It is dying because its product is increasingly without a viable market.



Reference: Fisheries Agency of Japan (May 2011)

7

The Solution: Whale Watching, Not Whaling

There is an industry in Japan that makes money from whales. That industry is whale watching.

If any whale-related industry might be deemed worthy of financial backing, one might argue it would be this: an industry that is growing with the potential to expand much more in future years and one that would attract support and income from around the world, as opposed to the opprobrium that whaling generates.

A 2009 IFAW study found that, globally, in 2008, 13 million people participated in whale watching in 119 countries and territories, generating total expenditures of US\$2.1 billion. By far the largest market is the United States, but the whale watching industry is growing rapidly in many other countries, including Japan.

▶ Even as whale meat declines in popularity and whaling declines in profitability, the whale watching industry has been growing in Japan.

▶ After a small start, the whale watching industry has grown strongly, at an annual average rate of 6.4 percent.

▶ In 2008, whale watching in Japan generated ¥1.76 billion (US\$22 million) in total revenue.

After a small start in 1988, the industry has grown strongly, at an annual average rate of 6.4 percent. Japan's whale watchers are nearly all Japanese, with most operators reporting that domestic tourists account for 90 to 100 percent of visitors. The number of customers it served rose from a fraction under 11,000 in 1992 to almost 200,000 in 2008, generating more than ¥1.76 billion (US\$22 million) in total revenue.²⁵ At the same time, costs exceeded revenue by close to ¥1.5 billion (US\$19 million) in the 2007–08 whaling season and by ¥0.9 billion (US\$11 million) in the 2008–09 whaling season.

On Honshu, well-established operators in Choshi and Wakayama have seen solid growth in tourist numbers since 1998. They offer regular, boat-based trips to see sperm whales, Pacific white-sided dolphins, false killer whales, and Risso's dolphins mainly between April and December. On the Izu Peninsula, one fisherman formerly involved in dolphin hunting has turned instead to dolphin and whale watching. Despite years of whaling and dolphin hunting

in the area, some of which continues today, tourists are now able to see sperm whales and various species of dolphin year round. The trips are most popular in the summer when several other fishermen use their boats to assist the main operator.

On the island of Miyakejima, the growth of whale watching and dolphin watching has proved very important to the local tourism industry, which has been slowly recovering since a volcanic eruption forced the island to be evacuated in 2000. Prior to the eruption, more than 80,000 tourists per year visited the island; and dolphin watching numbers were estimated at 8,300. Residents were only permitted to return to the island in 2005. Tourists have been slow to return to the island with only around 45,000 in 2007 according to the Miyakejima tourist association. The association considers dolphin watching to be an important draw card for the island.

On the nearby island of Mikurajima, the tourism association estimates that dolphin watching is a primary attraction for nearly all of the island's visitors.

The contrast with whaling could not be clearer. Whereas whaling is in terminal decline, whale watching is increasing. **Whereas whaling seems to benefit only a centralised, government bureaucracy, whale watching is of clear, direct benefit to local communities.** The whaling industry has secured millions upon millions of yen in taxpayer subsidies, only to continue to haemorrhage money. Whale watching has received some localised support and is a small but profitable industry. As polls and sales figures have demonstrated, whale meat is becoming progressively less popular in Japan, and the clientele for whale watching is growing.

The commercial whaling industry is drawing breath now only because it is on life support, in the form of taxpayer subsidies. It is time to end those subsidies and allow the industry to die a natural, and overdue, death. Whale watching, not whaling, is the industry with a future.

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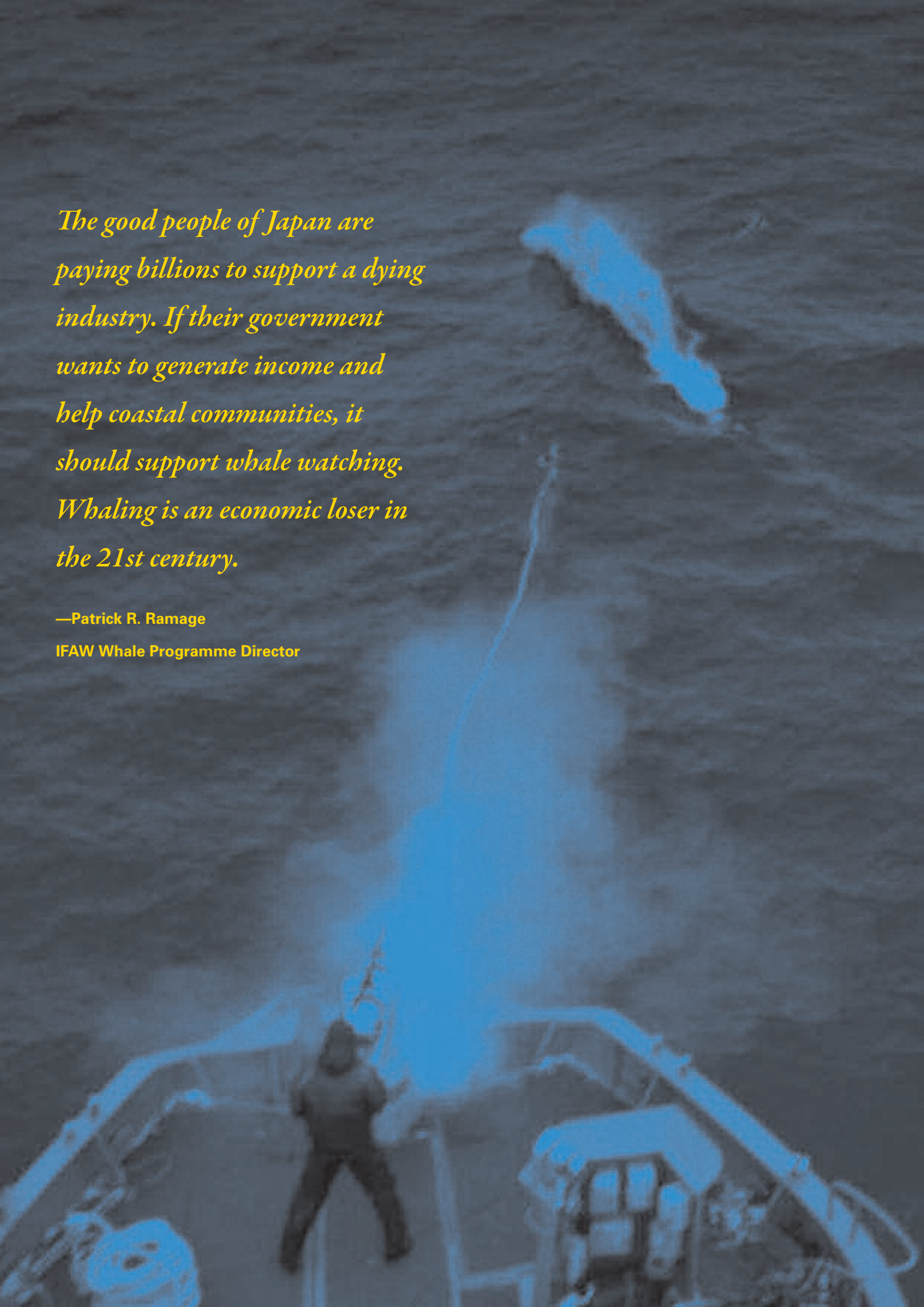
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MISSION IFAW rescues and protects animals around the world.



A photograph of a whale breaching the ocean surface, with a person on a boat in the foreground looking out at the water. The image is in black and white with a blue tint. The whale's back and tail are visible above the water, and a person is standing on the deck of a boat in the lower foreground, looking towards the whale. The water is dark and textured.

The good people of Japan are paying billions to support a dying industry. If their government wants to generate income and help coastal communities, it should support whale watching. Whaling is an economic loser in the 21st century.

—Patrick R. Ramage

IFAW Whale Programme Director